

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

ADVANCED DRAINAGE SYSTEMS INC.; CIVIL NO. 07-1338 (CC)
ADS INTERNATIONAL, INC.;
HANCOR, INC.

Plaintiffs,

v.

MOCOROA & CASTELLANOS, INC.

Defendant.

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U.S. DISTRICT COURT
SAN JUAN, P.R.

COMPLAINT FOR DECLARATORY JUDGMENT

TO THE HONORABLE COURT:

COME NOW Plaintiffs, Advanced Drainage Systems, Inc. ("ADS"), ADS International, Inc. ("ADSI"), and Hancor, Inc. ("Hancor"), through the undersigned counsel, and very respectfully complain against Defendant, Mocoroea & Castellanos, Inc. ("MCI"), as follows:

I. NATURE OF THE ACTION JURISDICTION AND VENUE

1. This is an action for declaratory judgment pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201.

2. Jurisdiction of the Court is invoked pursuant to 28 U.S.C. § 1332, as there is complete diversity of citizenship between Plaintiffs and Defendant and the matter in controversy exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of interests and costs.

3. Venue is proper in this Judicial District because the facts and occurrences upon which Plaintiffs' claims are based, took place within this Judicial District, and the Defendant is subject to personal jurisdiction within this Judicial District. See 28 U.S.C. § 1391.

II. PARTIES

4. ADS and ADSI are both Delaware corporations, with their principal place of business located in Hilliard, Ohio. Hancor is a corporation organized under the laws of the State of Ohio with its principal place of business located in Findlay, Ohio.

5. Defendant is a Puerto Rico corporation, with its principal place of business located in Guaynabo, Puerto Rico.

III. STATEMENT OF FACTS

6. ADS engages in the business of manufacturing and selling corrugated high density polyethylene pipe and certain related components.

7. In 1982, ADS began to sell corrugated high density polyethylene pipe and certain related components under its brand ADS ("ADS Pipe") in the Commonwealth of Puerto Rico ("Puerto Rico"). Since then, Mocoroa & Castellanos, Inc. ("MCI") has served as a distributor of ADS Pipe in Puerto Rico, without entering into a formal written agreement with either ADS or ADS International, Inc., an affiliate of ADS that generally invoices ADS' international sales.

8. On July 29, 2005, ADS acquired Hancor, Inc. ("Hancor") pursuant to a merger of an ADS subsidiary with and into Hancor's parent corporation.

9. Hancor engages in the business of manufacturing and selling corrugated high density polyethylene pipe and certain related components (collectively, "Hancor Pipe"). Prior to and after the merger, Hancor distributed Hancor Pipe in Puerto Rico through one or more distributors or sales representatives (the "existing Hancor Distributors").

10. Recently, MCI, through its President, Miguel Mocoroa and through counsel, has made demand upon ADS to cease further distribution of Hancor products through the existing Hancor distributors and has claimed, without legal basis, that MCI is entitled to displace the existing Hancor distributors.

11. MCI's demand upon ADS would require Hancor to risk violation of the Puerto Rico Dealer's Act ("Law 75") as to the existing Hancor distributors and confer upon MCI's rights and privileges over the Hancor Pipe to which it is not entitled.

12. Without legal basis therefore, Mocoroa has asserted that the refusal of ADS to cause the termination of Hancor's existing distributors is in violation of Law 75 and has threatened ADS with legal claims.

13. A justiciable controversy exists between the parties which is appropriate for resolution by the issuance of declaratory relief.

**IV. CAUSE OF ACTION
(Declaratory Judgment)**

14. MCI has been the authorized distributor of ADS Pipe since 1982. MCI has no rights of distribution over the Hancor Pipe as it unwarrantedly claims. Hancor has had its own distribution channels, prior to and after ADS' acquisition of and merger with Hancor. Hancor has no relation, contractual or otherwise, with MCI. ADS' acquisition of and merger with Hancor conferred no rights upon MCI over the distribution rights of Hancor Pipe.

15. Pursuant to 28 U.S.C. § 2201, Plaintiffs respectfully request this Honorable to declare that:

- a. MCI is not a distributor of Hancor Pipe and has no rights to the distribution of the Hancor Pipe;
- b. ADS and ADSI are not in violation of the Puerto Rico Dealer's Act, Act 75 of June 24, 1964, by continuing to sell Hancor Pipe through existing distributors, other than MCI;
- c. MCI is estopped by its own conduct and by the doctrine of laches from now complaining about

a set of facts that commenced in July 2005
and has continued since.

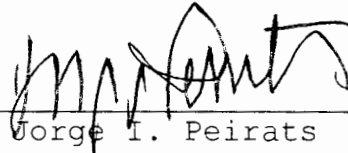
WHEREFORE, Plaintiffs respectfully request that this
Honorable Court issue its declaratory judgment as follows against
Defendant and in Plaintiffs' favor:

- a. MCI is not a distributor of Hancor Pipe and
has no rights to the distribution of the
Hancor Pipe;
- b. ADS and ADSI are not in violation of the
Puerto Rico Dealer's Act, Act 75 of June 24,
1964, by continuing to sell Hancor Pipe
through existing distributors, other than MCI;
- c. CI is estopped by its own conduct and by the
doctrine of laches from now complaining about
a set of facts that commenced in July 2005
and has continued since.

Award Plaintiffs their attorney's fees and costs and issue
any other remedy it deems just and equitable.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 23rd day of April, 2007.

A handwritten signature in black ink, appearing to read 'J. Peirats', is written over a horizontal line.

Jorge I. Peirats

USDC Bar No. 201409

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